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Major Demographic Shifts Occurring in California

Elias Lopez, Ph.D.

Presented to the WESTRENDS Board at the Council of State Governments-West Annual Meeting, July 16, 1999

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About the Author

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Four Major Demographic Trends

Introduction

In the realm of policymaking, demographic information is particularly useful to assess how the needs of the population are changing. This paper shows how California has changed demographically since 1940 and how it will continue to change. This paper contends that there are four major demographic shifts occurring in California. These are:

- 1. Natural increase is becoming the most important source of population growth. Since 1990, natural increase has accounted for over 50 percent of the population growth in California.
- 2. Both types of net migration (domestic or international) have been important to the population growth of California, but of the two, international migration has been the most important since 1970.
 - Between 1940 and 1970, net migration from other states was more important than international migration.
 - From 1970 to 1998, the roles were reversed and international migration was the most important of the two.
- 3. Diversity is increasing at a very fast pace in California and by the year 2000 no ethnic group will be in the majority, i.e., comprise more than 50 percent of the population.
- 4. The proportion of persons 65 years and over is growing both numerically and proportionately.

The paper begins by giving an overview of the magnitude of the population growth in California, by decade, since 1940. It makes use of the population estimates and projections made available by the California Department of Finance and the U.S. Census Bureau.

The Magnitude of Population Growth in California and Components of Change

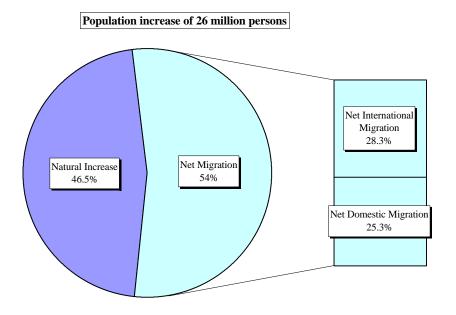
California has grown by leaps and bounds. In the last six decades, California grew by 26 million people. The magnitude of this growth is remarkable considering that this is more people than the current population of the next most populous state, Texas. What are the factors responsible for this tremendous growth? Can the growth be attributed to international migration? Perhaps it is due to natural increase. Can net domestic migration account for the tremendous net gain in people?

The chart below shows the components of change and the percentage attributable to each. It shows that growth is almost evenly divided between natural increase and net migration. Since 1941, natural increase has accounted for 46 percent of the population growth and net migration for 54 percent.

Net migration has two components, domestic and international migration, which have been equally important in the population growth of California. As the chart below shows, international migration accounts for 28 percent of the total population growth. Net domestic migration accounts for 25 percent of the population increase.

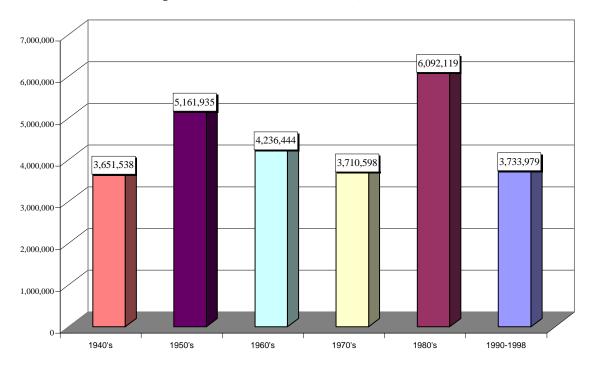
Chart 1

Components of Population Growth in California
From 1941 to 1998



The chart below shows population growth by decade. In the six decades, the largest increase in population was in the 1980's and in the 1950's. The smallest increase in population happened in the 1940's and in the 1970's with 3.7 million persons. The decade of the 1990's appears to be an average decade in population growth.

Chart 2 **Population Growth in California, 1941 to 1998**



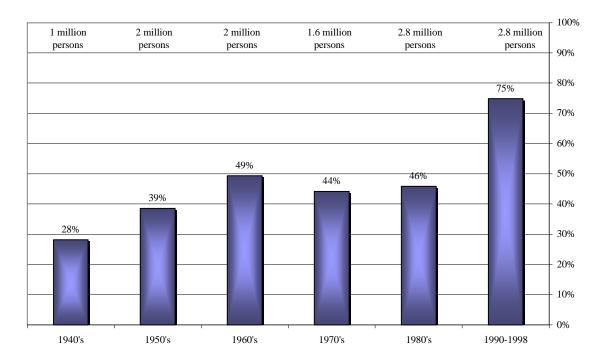
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Natural Increase Gets the Leading Role

Natural increase is becoming, over time, the most important component of population growth as the chart below shows. In the past eight years, for instance, over 50 percent of the population growth has been because of natural increase and not because of net migration. This is in contrast to what happened in the prior 50 years. From 1940 to 1990, 60 percent of the population growth in California was a consequence of persons migrating to California.

Note, natural increase in the 1990's accounts for 75 percent of the population growth, while international migration accounts for 53 percent. The two components add to 133 percent which means that net domestic migration is a negative 33 percent. The point to keep in mind is that in the 1990's natural increase is the largest of the components, followed by international migration.

Chart 3 **Population Growth Due to Natural Increase, 1941 to 1998**

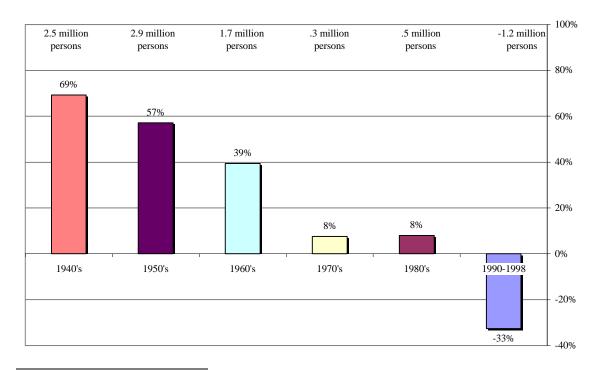


The Two Faces of Net Migration

Net migration has two components, migration to and from other states, and international migration to and from other countries. The place of origin of the persons migrating to California has changed over time. It used to be that most migrants came from other states. Over time, this has changed and the majority of migrants come from other countries, particularly from Latin American and Asia.

The chart below shows the contribution of net domestic migration to the population growth of each decade. At one point, net domestic migration was the largest source of population growth. In the 1940's and in the 1950's, net domestic migration was responsible for over 50 percent of the population growth. The share of net domestic migration has declined over time, even turning negative in the 1990's. The recession of the 1990's prompted many persons in California to move to other states. There is evidence, however, that in the last two years, with a strong economy in California, the pattern is reversing and more people from other states are moving in than moving out. Nevertheless, the decade of the 1990's will most likely end with a negative balance in net domestic migration.

Chart 4¹ **Population Growth Due to Domestic Migration, 1941 to 1998**

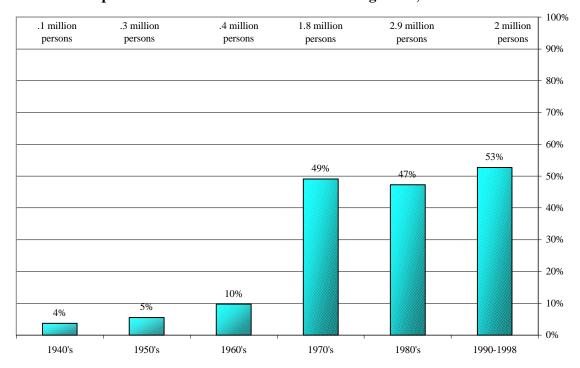


¹ Keep in mind that since net domestic migration in California is negative for the 1990's, the percentages of

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The chart below shows the contributions of international migration to the population growth of California by decade. Net international migration was not a large factor in the first three decades. Beginning with the 1970's, however, net international migration has been responsible for about 50 percent of the population growth.²

Chart 5 **Population Growth Due to International Migration, 1941 to 1998**



natural increase and international migration add up to more than 100 percent.

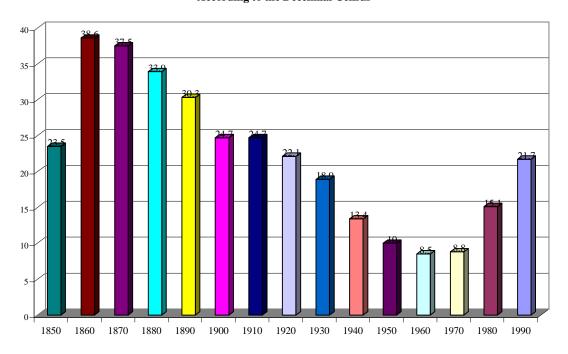
² Keep in mind that since net domestic migration in California is negative for the 1990's, the percentages of natural increase and international migration add up to more than 100 percent. Natural increase is the largest component, followed by international migration.

The presence of immigrants in California is not a new phenomenon. The proportion of immigrants in California has been higher in other periods of California history, as the chart below demonstrates. This is especially true for the late 1800's. In 1860 and in 1870 immigrants were more than a third of the population. With each passing decade, the percent of the population that is foreign born gradually declined. The lowest point of concentration was in 1960. Ever since then, the percentage of foreign born in California has been increasing.

Chart 6

Percent of the Population in California that is Foreign Born

According to the Decennial Census



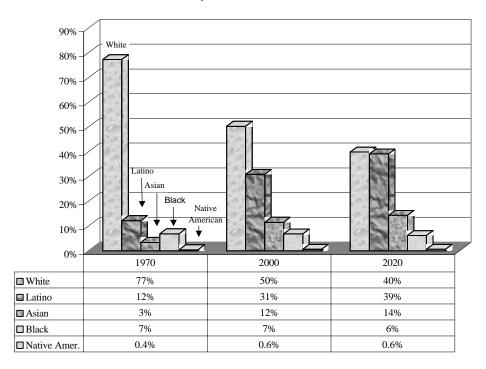
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Diversity With No Ethnic Group in the Majority

California is becoming more ethnically diverse and by the year 2000, no ethnic group will be in the majority. The chart below shows that Whites were 70 percent of the residents in California in 1970. By the year 2000, they will comprise 50 percent of the population. Latinos will be the second largest group at 31 percent, followed by Asians at 12 percent, African-Americans at 7 percent, and Native Americans at 0.6 percent.

Chart 7

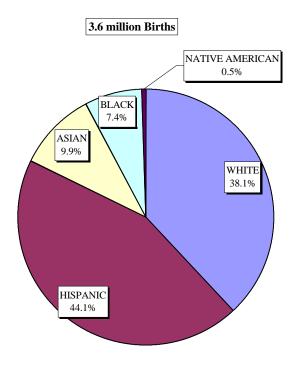
Ethnic Diversity in California, 1970 to 2020



Diversity is occurring at a very fast pace in California and by the year 2021 Latinos are expected to be the largest ethnic group. Births in California are one of the major factors driving the ethnic transformation of California. The chart below shows the ethnic composition of the persons born in California. Although no one group is in the majority, Latinos are the largest group, followed by Whites, Asians, and then African-Americans.

Chart 8

Births by Ethnicity, California 1990 to 1996

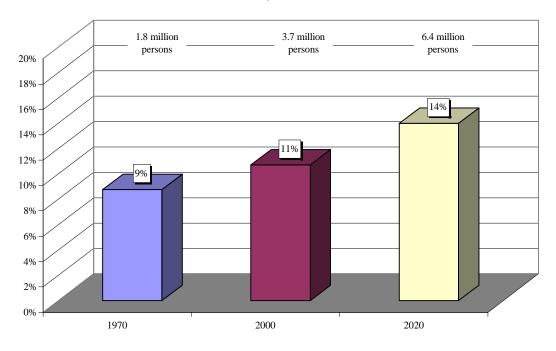


The Increasing 65+ Population

The fourth major demographic shift is occurring in the age distribution of California. Over time, the proportion of persons age 65 and over is increasing. In 1970, nine percent of the population was 65 and over. By the year 2020, it is projected that 14 percent of the population will be in this age category. Fourteen percent may seem like a small number, but it translates into more than six million persons.

Chart 9

Persons 65 Years or Older as a Percentage of the Total Population in California, 1970 to 2020



Data Sources Used

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